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WEEKLY GRAIN COMMENTARY

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Grain futures sold off this week, triggered by more favorable weather forecasts. Current and forecasted weather suggests cooler and wetter growing conditions for the next couple of weeks. These conditions are extremely encouraging for soybean yield potentials since much of the crop is currently in the key pod-set stage of development. Crop condition information released on Monday was also supportive of better growing conditions. Corn conditions improved in the East while the decline in MN, IA, & NE seems to have leveled off. For soybeans, the overall crop condition was unchanged from a week ago. Given all the stress the Western Cornbelt saw recently, areas that saw rains last week saw improvement while other areas saw some additional deterioration. With improved weather conditions, this gives the crop a better chance to exceed the trendline yield projections that the market has been using on their balance sheets. On the export front, both corn and bean shipments occurred at a brisk pace the past week. Soybean exports of 15 million bushels were above trade forecasts and corn exports of 48 million bushels were at the high end of the analysts’ range. Corn exports should continue to be strong even though South Korea was reported to have bought new-crop corn from China last week. South Korea’s purchase last week was probably a wake up call that the end user is looking for cheaper corn supplies but they could be limited as we move forward into 2006 with exportable world supplies likely tightening.

Grain futures	Corn Basis		Soybean Basis		Wheat Basis	
Location	Nearby	Forward	Nearby	Forward	Nearby	Forward
Western, MD	+14		-62		-66	
Central, MD	+1	-15	-47	-50	-66	
Southern, MD	-10	-20	-35	-40		
Upper E. Shore	+4	-7	-22	-27	-76	
Lower E. Shore	+10	+1	-5	-15	-77	

WEEKLY CROP WEATHER SUMMARY – August 7, 2006

USDA, National Agricultural Statistics Service, Maryland Field Office

Some field crops are showing signs of stress due to the hot and dry conditions last week. More rain is needed to further crop development. Corn was rated in mostly good to excellent condition while soybeans were in fair to good condition for the week ending August 6th. Both crops have continued to progress steadily as corn is now 55 percent dough and 13 percent dent. Warm temperatures have aided soybeans as 35 percent have set pods; just slightly ahead of the 30 percent five-year average. Soybean condition was rated 3 percent very poor, 3 percent poor, 26 percent fair, 52 percent good and 16 percent excellent. There were 6.7 days suitable for field work. Vegetables have been aided by warm temperatures as they continue to mature. Processed lima beans are 72 percent harvested; well ahead of the 39 percent five-year average. Fruits are still in mostly good condition. Peaches were rated 12 percent fair, 80 percent good, and 8 percent excellent. Pasture conditions were rated 4 percent very poor, 11 percent poor, 35 percent fair, 41 percent good, and 9 percent excellent while hay supplies were rated 6 percent very short, 14 percent short, 76 percent adequate, and 4 percent surplus.

CASH GRAINS – REGIONAL – (\$/bu) DEALERS AVERAGE CASH QUOTES

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	08/02	08/09	08/02	08/09	08/02	08/09	08/02	08/09
Western, MD	2.55	2.50	5.10	5.01	3.20	3.18	1.60	1.60
Central, MD	2.42	2.37	5.34	5.16	3.19	2.97	----	----
Southern, MD	2.31	2.26	5.44	5.28	----	3.04	----	1.45
Upper E. Shore	2.45	2.40	5.57	5.41	----	3.08	----	1.50
Lower E. Shore	2.49	2.46	5.74	5.58	3.16	3.07	1.51	1.58

Soybean Meal	Lower Eastern Shore			Dealer’s Average Cash Quotes (\$/ton)		
Date	08/02	08/09	Date	08/02	08/09	
48% Soybean Meal	N/A	N/A	44% Soybean Meal	N/A	N/A	

FORWARD CONTRACT PRICE – REGIONAL (\$/bu) for Harvest Delivery Dealer’s Avg. Quotes

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	08/02	08/09	08/02	08/09	08/02	08/09	08/02	08/09
Western MD	----	----	----	----	----	----	----	----
Central MD	2.43	2.38	5.44	5.26	4.04	3.99	----	----
Southern MD	2.38	2.33	5.54	5.36	----	3.84	----	----
Upper E Shore	2.51	2.46	5.67	5.49	----	3.88	----	----
Lower E Shore	2.59	2.54	5.79	5.61	----	3.86	----	----

GRAIN FUTURES – Chicago Board of Trade (Cents & Quarter – cents/bushel) Settle – August 9, 2006

Corn		Soybeans		Wheat		Soybean Meal ¹	
06Sep	239’6	06Aug	562’0	06Sep	388’0	06Aug	158’6
06Dec	256’6	06Sep	566’4	06Dec	409’2	06Sep	159’8
07Mar	270’4	06Nov	580’0	07Mar	426’4	06Oct	160’8
07May	280’0	07Jan	593’2	07May	436’0	06Dec	163’4
07Jul	288’6	07Mar	603’2	07Jul	442’2	07Jan	164’8
07Sep	296’4	07May	612’4	07Sep	450’0	07Mar	167’8

/Price Unit: Dollars and cents/ton (100 tons (2,000 lbs/ton))

HAY AND STRAW																		
New Holland, PA - \$/ton – August 7, 2006																		
Alfalfa		Mixed Hay		Timothy		Orchard grass	Straw											
85.00 - 160.00		85.00 - 230.00		112.00 - 195.00		80.00 - 215.00	35.00 - 140.00											
Westminster, MD - \$/bale – August 8, 2006 - -- 78 Lots																		
Alfalfa		Alfalfa Mix		Timothy		Timothy Mix	Grass Mix	Straw										
1.30 - 3.10		1.80 - 4.00		1.25 - 4.00		1.40 - 4.90	2.15 - 5.10	2.30 - 4.00										
POULTRY																		
Negotiated price for truck lot of ready-to-cook, ice-pack, Grade A Fryers (\$ per CWT) – Week Ending – August 12, 2006																		
		Current Week		Week Ago		Month Ago		Year Ago										
N.Y. Weighted Avg.		64.77		64.71		69.60		69.61										
12 City Composite		66.43		67.40		65.72		71.45										
SHEEP & LAMBS - Westminster, MD - \$/cwt – August 8, 2006																		
Sheep	36.00 - 70.00			Lambs	Under 50lbs	75.00 - 92.00	Feeders											
Too fat	18.00 - 34.00				50 - 80 lbs	72.00 - 90.00	50.00 - 85.00											
					90 - 130 lbs	67.50 - 95 00												
TERMINAL MARKETS HOGS – August 9, 2006				DIRECT MARKET HOGS – Westminster, MD – August 8, 2006														
Base Price Range		Carcass Basis		Sows (1 -3)		Butcher Hogs			Sows									
a.m.		Base 185 lb Hog		300 – 449 lbs		#1 215 - 275 lbs		43.00 - 47.00	Heavyweights	31.50								
Eastern Corn belt		63.00 - 68.92		33.17 - 39.08		Heavyweights		32.00 - 41.50	Lightweights	24.50 - 28.50								
Iowa, Minn		66.00 - 72.50		N/A					Boars									
									Heavyweights	9.50								
Market Hogs - Millsboro, DE – August 8, 2006 - dollars/cwt 40.00 - 44.00							Next sale date – Sep. 12, 2006											
FEEDER PIGS – (\$/CWT) –																		
Gumboro, DE August 8, 2006					Next sale date – Sep. 12, 2006					New Holland, PA								
Head: 271										Head		Trend:						
Under 30 lbs					80.00 - 139.00					50 - 59 lbs					43.00 - 72.00		Not Available	
30 - 39 lbs					79.00 - 116.00					60 - 69 lbs					41.00			
40 – 49 lbs					40.00 - 106.00													
Chicago Mercantile Exchange \$/cwt) – August 9, 2006																		
CATTLE –LIVE FUTURES					HOGS-LEAN FUTURES													
AUG06	86.30	FEB07		91.05		AUG06	70.75	FEB07		61.63								
OCT06	90.45	APR07		89.30		OCT06	62.65	APR07		61.95								
DEC06	90.00	JUN07		84.43		DEC06	60.48	MAY07		65.20								
STOCKER – FEEDER CATTLE – (\$/cwt)																		
Winchester, VA – August 7, 2006					Westminster, MD – August 8, 2006													
Steers		300 - 400 lbs		125.00 - 142.00		Steers		200 - 300 lbs		78.00 - 82.00								
		400 - 500 lbs		125.50 - 137.50				600 - 700 lbs		74.00 - 86.00								
		500 - 600 lbs		120.00 - 134.00														
		600 - 700 lbs		110.00 - 121.00														
		700 - 800 lbs		103.00 - 113.00														
Heifers		300 - 400 lbs		120.00 - 128.00		Heifers		200 - 300 lbs		105.00 - 113.00								
		400 - 500 lbs		118.00 - 128.00				400 - 500 lbs		94.00 - 104.00								
		500 - 600 lbs		110.00 - 121.00				600 - 700 lbs		69.00 - 80.00								
		600 - 700 lbs		95.00 - 110.00														
		700 - 800 lbs		90.00 - 105.00														
		800 - 900 lbs		87.00 - 88.00														
SLAUGHTER CATTLE (\$/cwt)																		
Westminster, MD – August 8, 2006							Fed Heifers											
Sltr. Cows							Low Choice					79.00 - 83.00						
Premium							Select					73.00 - 76.00						
Breakers							Hols. Bull Calves #1					160.00 - 195.00						
Boners							#2					125.00 - 145.00						
Thin/Slow							#3					90.00 - 125.00						
Fed Steers							Culls					45.00 - 90.00						
Choice & Prime							Jerseys					5.00 - 42.50						
Low Choice							Beef Cross					130.00						
Holsteins							Holstein Heifers #2					260.00 - 270.00						
Lancaster, New Holland & Vintage – August 10, 2006																		
Sltr. Steers:							Hols. Steers:											
H Ch & Pr 2-4		1290 -1495 lbs		85.25 - 88.00		Hi Ch & Pr 2-3		1355 - 1560lbs		75.00 - 79.50								
		1500 - 1580 lbs		84.75 - 87.50				1290 - 1560 lbs		71.75 - 75.00								
Choice 2- 3		1195 -1475 lbs		83.75 - 87.10		Sel & Lo Ch 1-3		1175 - 1515 lbs		67.00 - 70.25								
H Sel & LoCh 1-3		1160 -1465 lbs		81.00 - 85.50		Select 1-2		1190 - 1395 lbs		62.25 - 68.25								
Select 1-2		1100 -1370 lbs		80.50 - 82.75		Sltr. Cows:		Percent Lean		Bulk								
Sltr Heifers						Premium White		65 - 75		52.00 - 55.00								
H Ch & Pr 2-4		1245 - 1420 lbs		83.75 - 86.75		Breakers		75 - 80		51.00 - 53.00								
Choice 2-3		1070 - 1475 lbs		80.25 - 83.00		Boners		80 - 85		47.00 - 50.00								
Sel & Lo Ch 1-3		1070 - 1320 lbs		77.00 - 80.75		Lean		88 - 90		44.50 - 47.00								

Compiled by USDA, NASS, Maryland Field Office			
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